GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:5342
ANSWERED ON:28.04.2000
IMPORT SUBSTITUTION SCHEME
GIRIJA VYAS

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the Government are promoting import substitution scheme;

(b) the items proposed to be included by the Government under the above scheme in a bid to tilt the foreign trade in its favour during the last three years and till date;

(c) if so, the details thereof ; and

(d) if not, the aspects being taken into account, particularly for taking necessary action to boost exports and to discourage imports ?

Answer

MINISTER FOR COMMERCE AND INDUSTRY

(SHRI MURASOLI MARAN)

(a)to (d): Import substitution is not being pursued by the Government as a Policy. However, with a view to providing level playing field to domestic manufacturer, the Government has granted deemed export status under the EXIM Policy to supplies effected within India to certain projects/sectors where the projects/ sectors are otherwise entitled to import at zero or 5% Basic Customs Duty. Such categories of deemed exports are eligible for (a) duty free imports of inputs required for manufacturing of the resultant product (b) deemed exports drawback, and (c) refund of Terminal Excise Duty. For boosting exports, various schemes have been formulated by Government for making capital goods and raw materials available to the domestic manufacturers duty free at International prices. The Customs tariffs are meant to provide protection to the domestic industry by making imports costlier.